The Frontier Framework: An introduction

Dr Darrin Baines
Professor in Health Economics
@darrinbaines

© Darrin Baines. Please do not use without author's permission. darrinbaines.net

Coventry University

Efficiency

1. Economists are interested in efficiency
2. Efficiency is “making most with available resources”
3. Some organisations more efficient than others
4. They are at the frontier of what is achievable

© Darrin Baines. Please do not use without author’s permission. darrinbaines.net

Coventry University

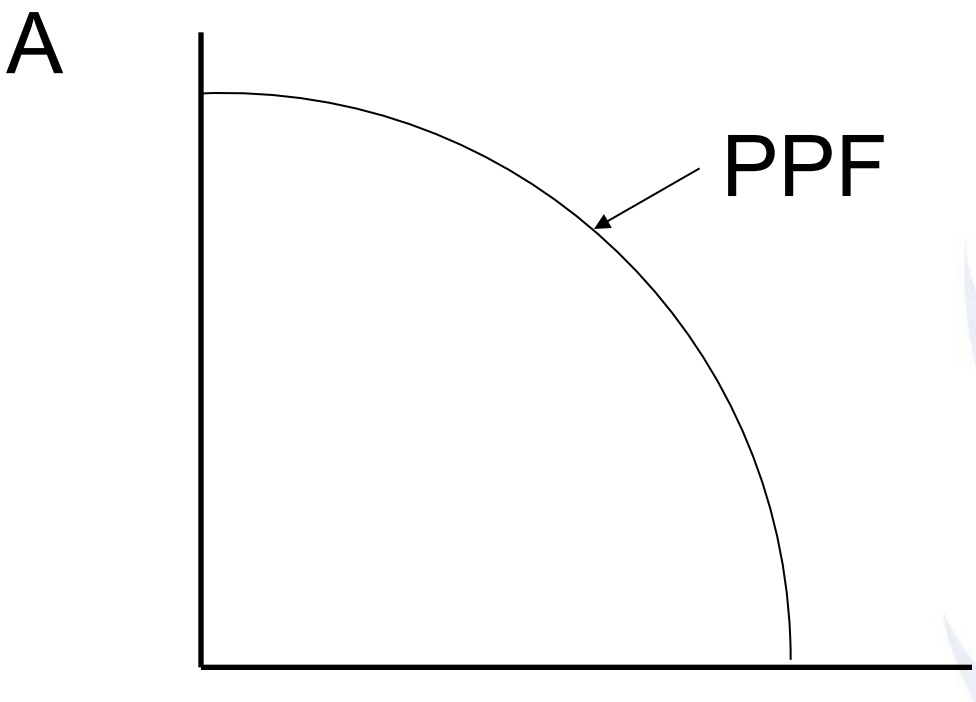
Production possibilities

1. Organisations produce “things” with benefits
2. Efficient organisations “maximize benefits”
3. Economist talk about Production Possibility Frontier
4. PPP is what is currently possible

© Darrin Baines. Please do not use without author’s permission. darrinbaines.net

Coventry University

Production Possibility Frontier

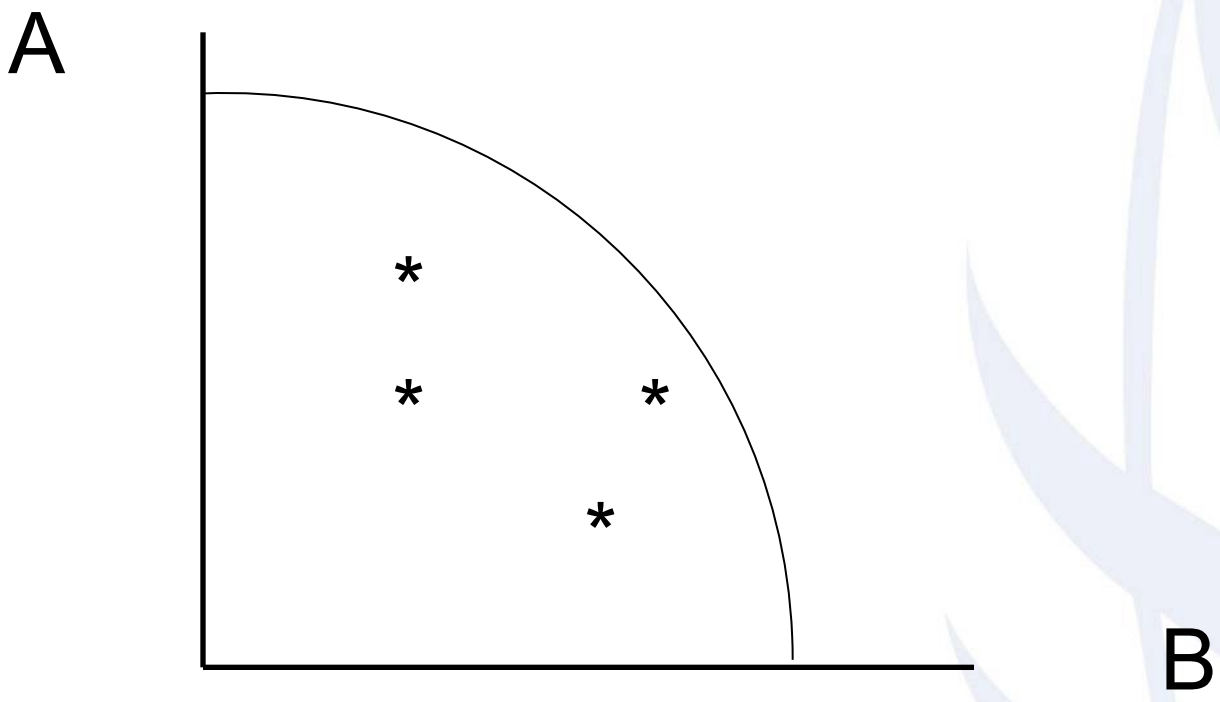


Two goods produced: A and B

© Darrin Baines. Please do not use without author's permission. darrinbaines.net

Coventry University

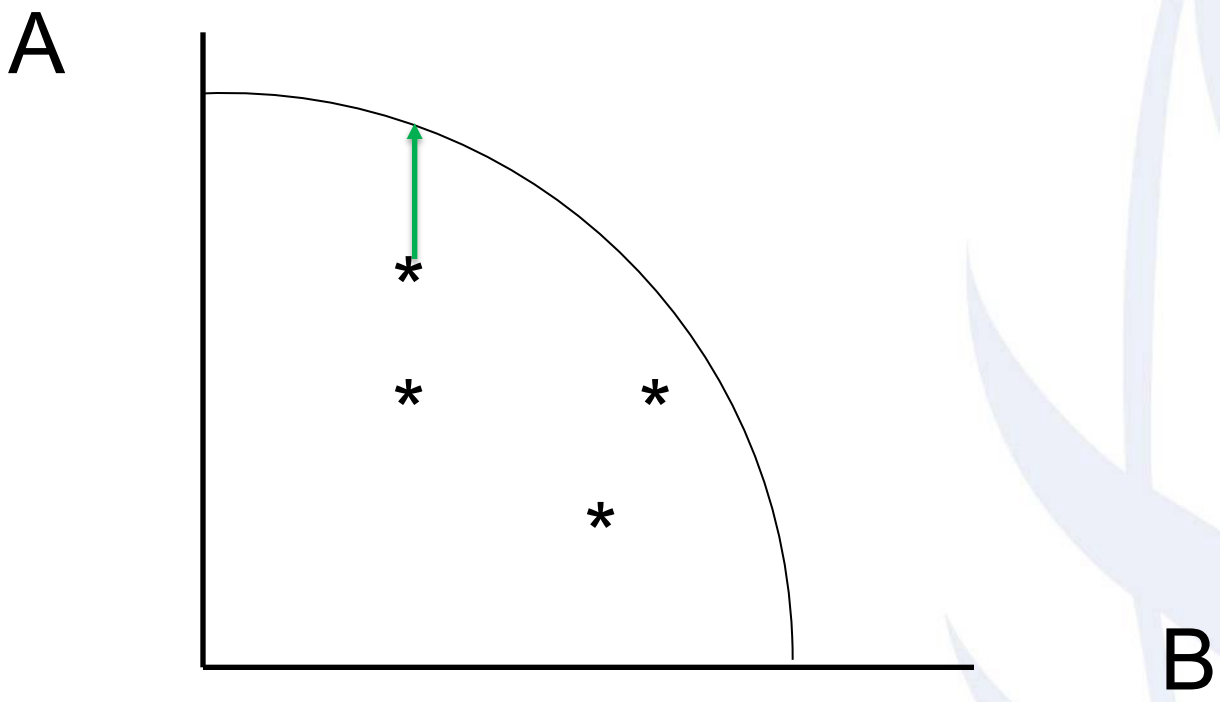
Capacity to gain organisations



© Darrin Baines. Please do not use without author's permission. darrinbaines.net

Coventry University

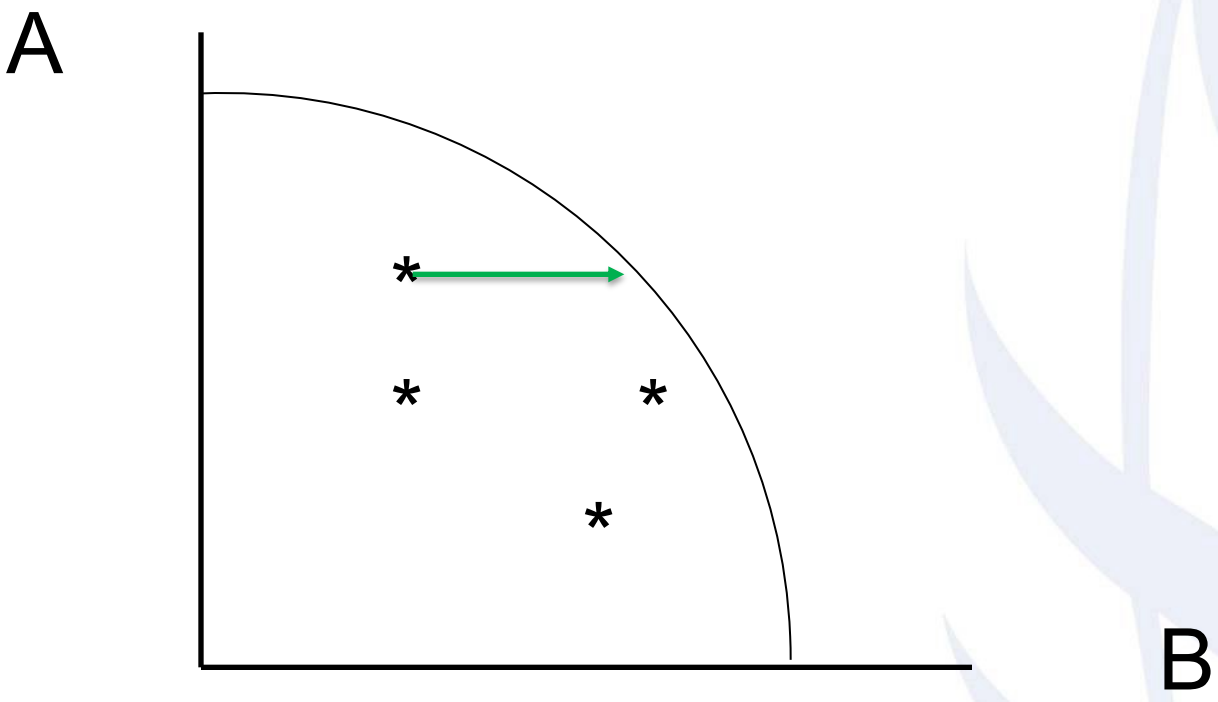
Capacity to gain organisations



© Darrin Baines. Please do not use without author's permission. darrinbaines.net

Coventry University

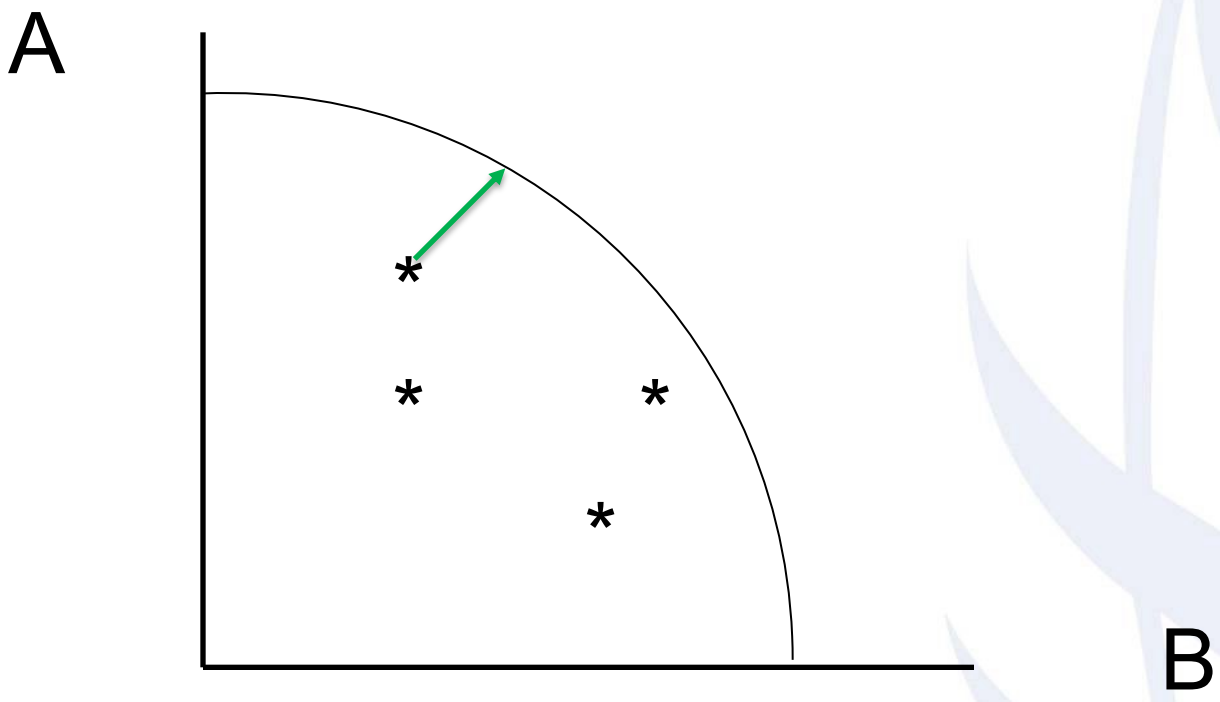
Capacity to gain organisations



© Darrin Baines. Please do not use without author's permission. darrinbaines.net

Coventry University

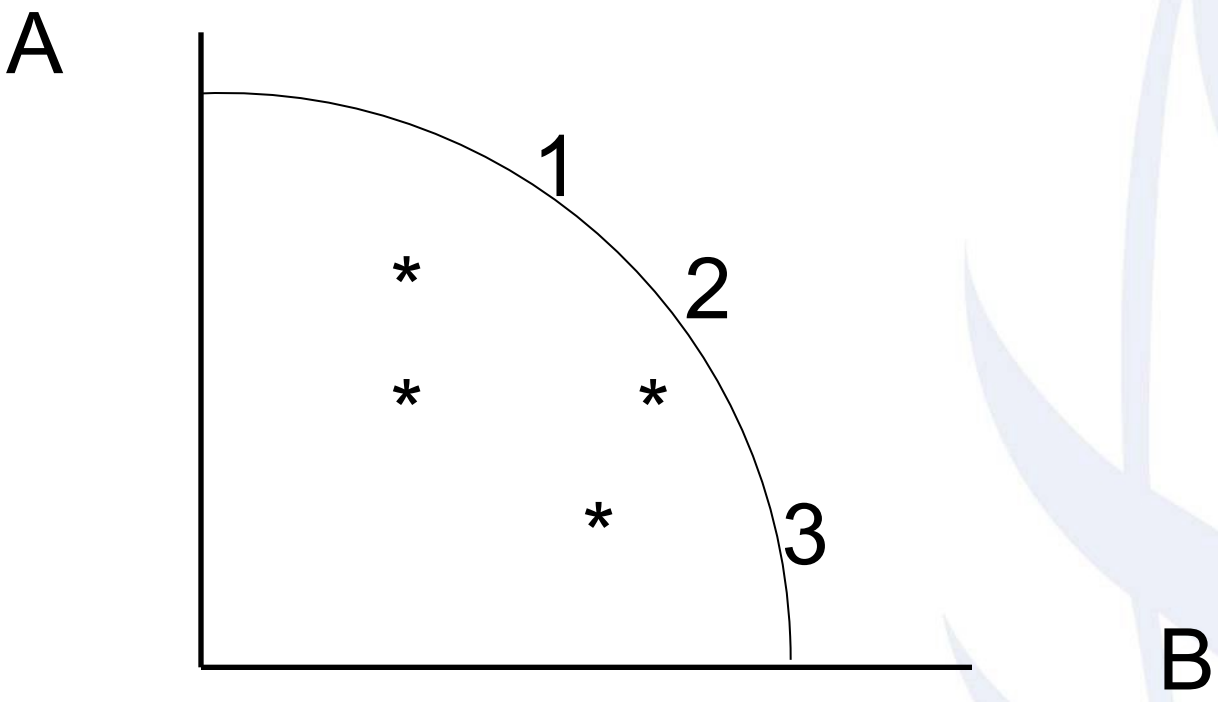
Capacity to gain organisations



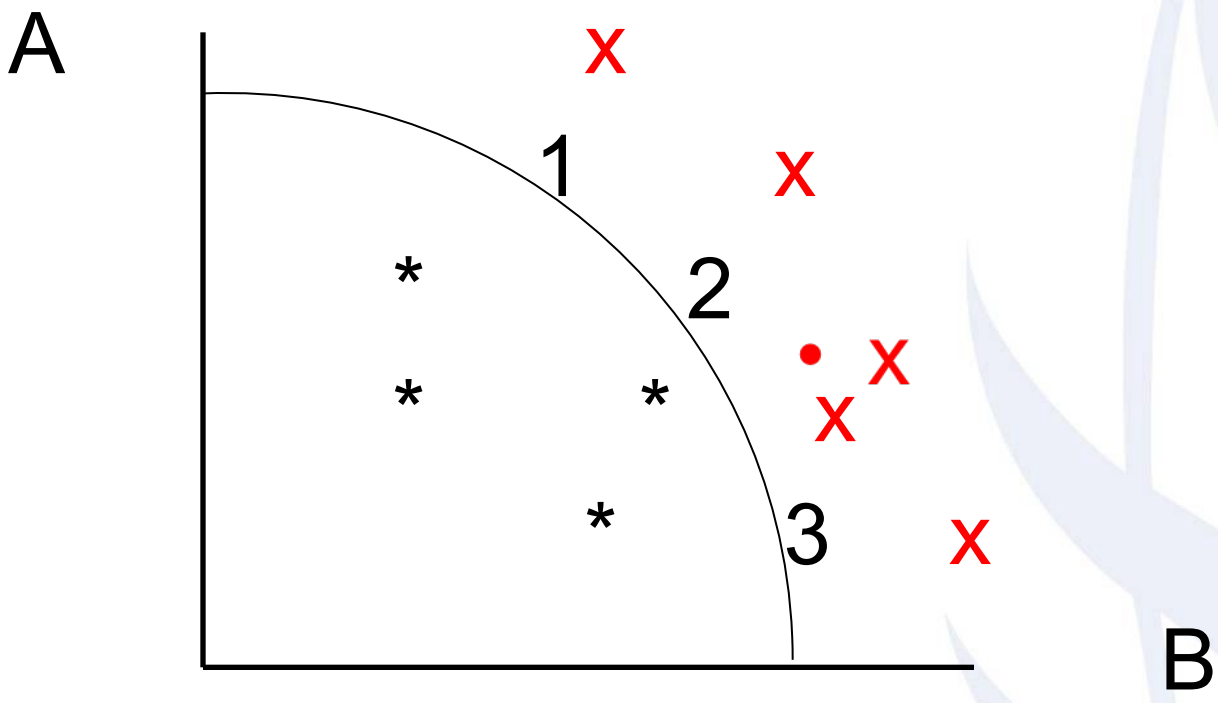
© Darrin Baines. Please do not use without author's permission. darrinbaines.net

Coventry University

Frontier organisations



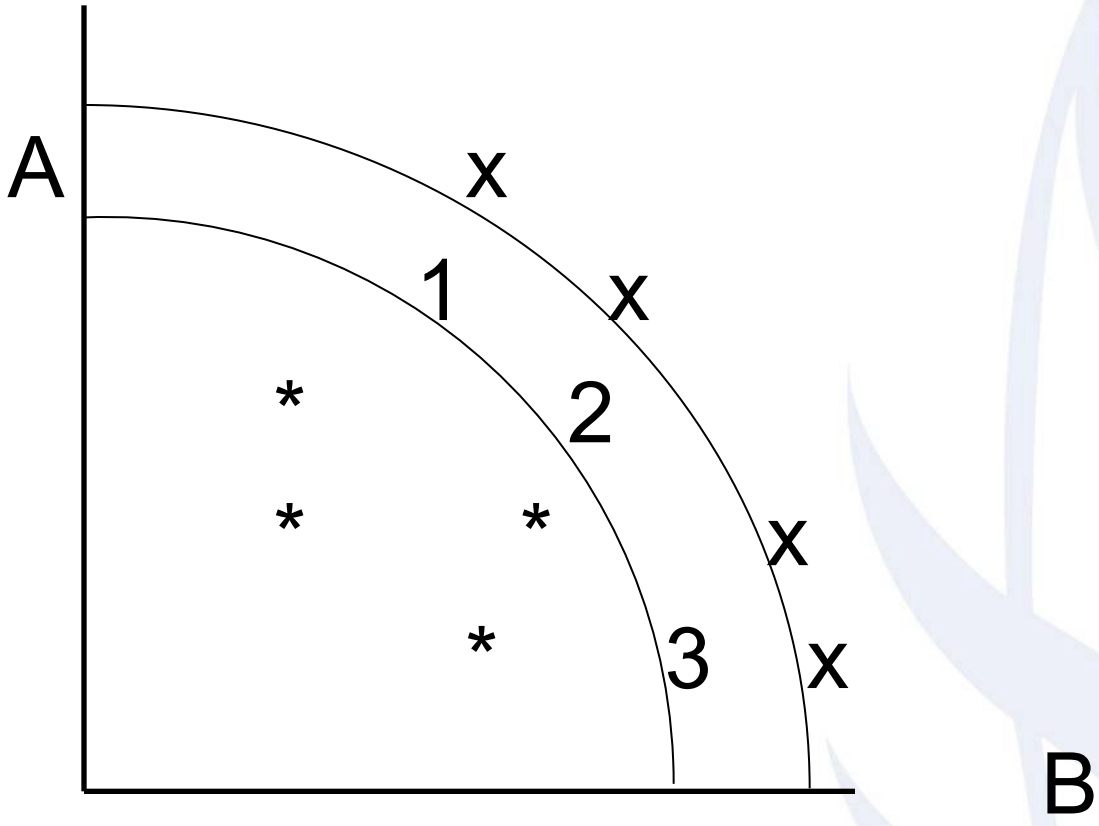
Not feasible



© Darrin Baines. Please do not use without author's permission. darrinbaines.net

Coventry University

New frontier



Summary

1. Frontier organisations most efficient
2. Lagging organisations can catch up
3. New frontier can be found
4. Set plans for:
    a. Replicating the best
    b. Pushing frontier forward

© Darrin Baines. Please do not use without author's permission. darrinbaines.net

Coventry University

NHS organisations

- Produce benefits for patients
- Produce benefits for staff
- Often, relationship between both
- Poor staff experience and poor patient benefits often related
- We can have a frontier framework for NHS

© Darrin Baines. Please do not use without author's permission. darrinbaines.net

Coventry University

Conclusions

- Efficiency requires examination of staff and patient welfare
- The Frontiers Framework can help

© Darrin Baines. Please do not use without author's permission. darrinbaines.net

Coventry University